

# Daily Newswatch

## Market Review

The FBMKLCI continue to fall on Tuesday (-0.5%), driven by investor sell-offs amid geopolitical uncertainties. Additionally, the market sentiment remains weak as Fed officials stated that there is no immediate need for rate cuts. Across the board, every sector suffered losses, with the construction sector taking the hardest hit (-2.7%), followed by property (-2.5%) and energy (-1.7%). Market breadth turned more negative with 1139 losers against 172 gainers. Key decliners among index constituents are YTL (-4.6%), YTL Power (-2.3%), and AMMB (-1.9%).

## Economics

- US:** Fed should not act urgently to cut rates unless required.
- UK:** Britain's unemployment rate rose unexpectedly to the highest in six months.
- Energy:** European gas prices jump after Israeli military reasserted that they would respond to Iran's attack.
- Energy:** Oil prices rise after data showed China's economy grew faster than expected

## Companies

- Semiconductor** MITI to draw up comprehensive semiconductor strategic plan.
- Bursa Malaysia (5243)** is working with UK's Mobilist programme to help address the funding gap to achieve UN SDGs by 2030
- G Capital (7676)** has partnered with Hong Kong-based CCIAM Logistic Company Limited to raise RM325 million.
- MyEG (0138)** and **Heitech (5028)** have formed a partnership to collaborate on IT projects in Malaysia.
- Capital A (5099)** announced that it is in the midst of exploring a potential fundraising exercise by its aviation business.
- Apex Healthcare (5088)** has committed to reinvest 5% of its total manufacturing revenue into R&D.

### Upcoming key economic data releases

	Date
EU - CPI	17 Apr
US – Jobless Initial Claims	18 Apr
Malaysia – External Trades	19 Apr
Malaysia – GDP (estimates)	19 Apr
US - GDP	25 Apr
Malaysia - CPI	25 Apr
Malaysia - PPI	26 Apr
US - FOMC meeting	30 Apr
EU – GDP (flash)	30 Apr

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,535.0	(0.5)	5.6
Dow Jones	37,799.0	0.2	0.2
Nasdaq CI	15,865.3	(0.1)	7.4
S&P 500	5,051.4	(0.2)	6.5
FTSE 100	7,820.4	(1.8)	1.3
Nikkei 225	38,471.2	(1.9)	15.6
Shanghai CI	3,007.1	(1.6)	1.5
HSI	16,249.0	(2.1)	(3.2)
STI	3,144.8	(1.2)	(2.6)

Market Activity	Last Close	Daily chg %
Vol traded (m shares)	4,927.9	15.1
Value traded (RM m)	3,718.8	14.5
Gainers	172	
Losers	1139	
Unchanged	331	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
TWL	0.030	(14.3)	166.7
SAPNRG	0.050	0.0	122.2
VELESTO	0.270	(1.8)	80.0
MRCB	0.655	(5.1)	64.2
BPURI	0.080	0.0	64.0

Top 5 Turnover	Last Close	Daily chg %	Value (RM m)
CIMB	6.48	(1.5)	279.6
MAYBANK	9.58	(0.7)	160.1
SUNWAY	3.28	(2.7)	113.2
YTL	2.48	(4.6)	105.4
PBBANK	4.10	(0.5)	90.2

Currencies	Last Close	% Chg
USD/MYR	4.7957	0.3
USD/JPY	154.68	0.3
EUR/USD	1.0619	(0.0)
USD/CNY	7.2378	(0.0)
US Dollar Index	106.26	0.0

Commodities	Last Close	% Chg
Brent (USD/barrel)	90.02	(0.1)
CPO (RM/metric t)	4,307.5	(3.1)
Gold (USD/troy oz)	2,384.7	(0.0)
Bitcoin (USD/BTC)	63,790.9	(0.2)

## Economics

### US: No urgency to cut rates

Mary Daly, president of the San Francisco Federal Reserve Bank, stated on Monday that there is no immediate need to reduce US interest rates. She emphasised the strength of the economy and labour market, coupled with inflation levels still surpassing the Federal Reserve's 2% target. Market expectations suggest the Fed will likely maintain its policy rate within the range of 5.3% to 5.5% until mid-September, followed by two rate cuts by year-end. Daly cautioned against hasty action, highlighting the importance of avoiding urgency when not warranted. Despite previous forecasts indicating potential rate cuts, robust consumer spending and a low unemployment rate of 3.8% suggest current policy measures are appropriate. *(Bloomberg)*

### UK: Unemployment jumps to six-month high

Britain's unemployment rate unexpectedly rose to 4.2%, its highest in six months, signalling a slowdown in the labour market. Despite this, wage growth remained high at 6%, slightly down from previous levels but above expectations. Analysts suggest weaker labour market activity could lead to easing wage growth. Policymakers remain cautious about shifting from their inflation-fighting stance due to concerns about sustained strong pay growth leading to further price increases. The figures on joblessness are within what the BOE expects for the full first quarter. *(Bloomberg)*

### Energy: European gas jumps as Israel vows response to attack

European natural gas prices surged on April 16 due to concerns over potential disruptions following Iran's recent attack and Russian strikes on Ukrainian energy infrastructure. Despite Europe's strong gas inventories, traders are wary of supply disruptions. European and US officials urge Israel to avoid escalation to prevent further increases in global energy prices amidst inflation concerns. Volatility has also perked up, with investors seeking protection amid concern that the conflict in the Middle East could widen. *(Bloomberg)*

### Energy: Oil prices rise on China growth

Oil prices increased on Tuesday following reports of stronger-than-expected economic growth in China and escalating tensions in the Middle East due to Iran's recent attack on Israel. Brent futures for June delivery rose by 0.2% to \$90.3 a barrel, while U.S. crude futures for May delivery climbed by 0.3% to \$85.6 a barrel. Initially, prices surged nearly 1% upon the release of China's GDP data, which surpassed analysts' forecasts. However, gains were tempered as other Chinese indicators indicated weak demand amidst a prolonged property crisis. Although oil prices reached their highest levels since October last week, they dipped on Monday after Iran's attack on Israel was less severe than anticipated, alleviating concerns of a rapid escalation in conflict that could disrupt crude supply. *(Reuters)*

## Companies

### **Semiconductor: MITI to draw up comprehensive semiconductor strategic plan**

The Ministry of Investment, Trade and Industry (MITI) will draw up a comprehensive semiconductor strategic plan to ensure that Malaysia continues to be the chosen investment destination for this strategic industry, said Prime Minister Datuk Seri Anwar Ibrahim. PM Anwar said the strategic plan will include a more attractive incentive package to enhance the inclusion of strategic investments in high-tech semiconductors, particularly to encourage more front-end activities in the semiconductor industry in Malaysia. *(The Edge)*

### **Bursa Malaysia (5243): Working with UK's Mobilist programme**

Bursa Malaysia Bhd is collaborating with the UK government's Mobilising Institutional Capital Through Listed Product Structures (Mobilist) programme to help address the funding gap needed in Malaysia to achieve the United Nations' (UN) Sustainable Development Goals (SDGs) by 2030. While the environmental, social, and governance (ESG) financing landscape in Malaysia is evolving and growing, Bursa Malaysia chairman Tan Sri Abdul Wahid Omar said it is not yet sufficient to address Malaysia's urgent SDG needs and climate commitment targets, such as increasing renewable energy in the national energy mix to up to 31% by 2025, and to 40% by 2030. Through the collaboration, Mobilist will work with Bursa Malaysia and its network of brokers, investment banks, and public offering promoters, to pinpoint sustainable investment products by Malaysian companies that have aspirations to be listed on the exchange. *(The Edge)*

### **G Capital (7676): Raising RM325m for hydropower project**

G Capital Bhd, a renewable energy company, has partnered with Hong Kong's CCIAM Logistic to raise RM325m for small hydropower projects in Pahang. The agreement, outlined in a recent MOU, aims to finalise roles and fees within 60 days. CCIAM Logistic, a subsidiary of CCIAM Future Energy Limited, specialises in energy solutions and financing. G Capital sees this partnership as a way to attract global investment, promote clean energy, and drive Malaysia towards carbon neutrality. *(The Edge)*

### **MyEG (0138) and Heitech (5028): Partnering to collaborate on IT projects**

E-government service providers MyEG Services Bhd and Heitech Padu Bhd have joined forces to collaborate on IT projects in Malaysia. In a recent announcement, both companies disclosed that they have signed a teaming agreement to formalize their partnership. The agreement outlines their respective roles and responsibilities, aiming to collaborate on marketing activities, sharing expertise, and integrating IT solutions for identified projects targeting potential customers. They plan to explore various project opportunities aligned with their strengths and objectives, with a focus beyond the NIISe project, as stated by a MyEG spokesperson. *(The Edge)*

### **Capital A (5099): No share placement plan, aviation division exploring a fundraising exercise**

Capital A Bhd disclosed its exploration of a potential fundraising endeavour within its aviation business. However, it clarified its lack of intent to pursue a private placement. The management emphasised that the evaluation of this initiative is at a preliminary stage, with no firm proposal presented to the board of directors yet. Capital A assured shareholders that it currently has no plans for a private placement and pledged to inform them promptly of any significant developments. *(The Edge)*

### **Apex Healthcare (5088): Commits to boosting research and development**

Apex Healthcare Bhd, a pharmaceutical company, has announced its commitment to allocate 5% of its total manufacturing revenue towards research and development (R&D) for new products in the future. Dr. Kee Kirk Chin, the chairman and CEO of Apex Healthcare, disclosed that the company invested RM8.5 million in R&D and innovation in 2023, marking an 18% increase compared to the previous year, equivalent to 3.2% of its manufacturing revenue. This increased R&D spending aims to capitalize on patent expirations by swiftly introducing generic alternatives to the market. *(The Edge)*

## Stock Selection Based on Dividend Yield

Company	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
Bermaz Auto	Consumer	2.42	0.21	8.84
Sentral REIT	REIT	0.79	0.07	8.54
British American Tobacco (M)	Consumer	8.45	0.70	8.32
KIP REIT	REIT	0.90	0.07	7.78
YTL Hospital REIT	REIT	1.21	0.09	7.77
UOA REITS	REIT	1.11	0.08	7.48
Taliworks Corporation	Utilities	0.81	0.06	7.16
RHB Bank	Finance	5.70	0.40	7.05
Sports Toto	Consumer	1.38	0.10	7.03
Amway (M)	Consumer	7.24	0.51	7.00
MBM Resources	Consumer	4.82	0.34	6.99
Hektar REITS	REIT	0.64	0.04	6.88
CapitaLand Malaysia Trust	REIT	0.62	0.04	6.83
Sunway REIT	REIT	1.52	0.10	6.58
Pavilion REIT	REIT	1.27	0.08	6.54

Source: Bloomberg

*User guide: Mercury Securities compiles a list of dividend-yielding stocks for conservative long-term passive investors looking for regular income whilst capping downside risk of their investment.*

*Methodology: The list above includes stocks that have a high dividend yield, estimated to be greater than 4% per annum. These stocks also have a history of paying dividends consistently, having paid dividends for the past 3 years.*

## IPO Tracker

Company	Listing Sought	Issue Price (RM/Share)	No. Of Shares (m)		Closing Date	Listing Date
			Public Issue	Offer for Sale		
Keyfield International	Main Market	0.90	209.0	-	3 Apr	22 Apr
Topmix	ACE Market	0.31	82.7	19.7	4 Apr	23 Apr
MKH Oil Palm (East Kalimantan)	Main Market	0.62	220.0	30.7	16 Apr	30 Apr

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